

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1411 - SB 1424

February 18, 2019

SUMMARY OF BILL: Establishes requirements for providers operating websites offering consumer access to interactive software that generates legal documents based on customer answers. Requires such providers to register with the Board of Law Examiners (BLE) and renew registration annually.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue – Up to \$45,000/FY19-20/Board of Law Examiners
Up to \$10,000/FY20-21 and Subsequent Years/
Board of Law Examiners**

**Increase State Expenditures – \$45,000/FY19-20/Board of Law Examiners
\$10,000/FY20-21 and Subsequent Years/
Board of Law Examiners**

Assumptions:

- The proposed legislation requires website providers meeting the outlined criteria to register with BLE prior to commencing operation in Tennessee; pay an initial registration fee in an amount not to exceed \$100; and pay a renewal registration fee with the BLE annually in an amount not to exceed \$50.
- The proposed legislation will result in 50 website providers registering with the BLE in FY19-20; the one-time increase in state revenue to the BLE is estimated to be \$5,000 (50 x \$100).
- On average, there will be 50 website providers each year who will register with the BLE.
- Forty-five website providers will renew annually in FY20-21 and subsequent years; the recurring increase in state revenue to the BLE is estimated to be \$2,250 (45 x \$50).
- Five new website providers will register in FY20-21 and subsequent years; the recurring increase in state revenue to the BLE is estimated to be \$500 (5 x \$100).
- The total recurring increase in state revenue to the BLE in FY20-21 and subsequent years is estimated to be \$2,750 (\$2,250 + \$500).
- In order to process the registration of such websites, the BLE will require an automated registration system to process regulations and renewals. The one-time increase in state expenditures for the BLE to design such a system is estimated to be \$45,000 which will be incurred in FY19-20.

HB 1411 - SB 1424

- In order to host the registration system, the BLE will be required to pay a recurring hosting fee. The recurring increase in state expenditures to the BLE for hosting the system in FY20-21 and subsequent years is estimated to be \$10,000.
- Pursuant to Tenn. Code Ann. § 23-1-101(b)(3), all expenses of the BLE are to be funded from the receipt of fees; therefore, the proposed legislation may lead to the BLE increasing fees to cover the cost of website registration. Therefore, it is estimated the BLE will increase revenue up \$45,000 in FY19-20 and up to \$10,000 in FY 20-21.
- Tenn. Code Ann. § 23-3-103 authorizes the Attorney General and Reporter to bring an action in the name of the state for unauthorized practice of law claims.
- Any impact to the Attorney General's Office resulting from the proposed legislation is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/amj